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**OPERATIVE OF ALLEGED \$50 MILLION INTERNET FRAUD SCAM
ARRESTED IN DALLAS AIRPORT ON WAY TO COSTA RICA**

**ARRESTED MAN IS SON OF SCHEME'S ALLEGED LEADER, WHO HIMSELF AWAITS
EXTRADITION ON RELATED CHARGES IN COSTA RICA**

SACRAMENTO--United States Attorney John K. Vincent and FBI Special Agent-in-Charge Richard Baker announced the arrest today of Cary Alyn Waage, 25, of Canada, on charges relating to the Tri-West Investment Club, an Internet-based investment fraud scheme that allegedly netted more than \$50 million over the last two years. FBI agents made the arrest at the Dallas International Airport as Waage and his wife attempted to fly from Canada to Costa Rica, where his father, Alyn Richard Waage, has been in custody on related charges since September 2001 and is fighting extradition to the United States.

According to Assistant U.S. Attorneys Christopher Sonderby and Robin Taylor, who are prosecuting the case, a criminal complaint unsealed today in Sacramento charges Cary Waage with conspiracy, mail fraud, wire fraud, securities fraud and money laundering. If convicted, Cary Waage faces 5 years in prison for each mail and wire fraud count, 10 years in prison for each securities fraud count, and 20 years for each count of money laundering. Cary Waage also faces fines up to twice the value of the victims' losses.

International "Ponzi" Scheme

The arrest results from an international effort by the United States, Costa Rica and Canada to investigate the activities of the Tri-West Investment Club, which solicited investments in "prime bank notes" on the Internet using the Web site www.triwestinvest.com. The complaint alleges that "prime bank notes" do not exist, and that Richard Waage and his operatives ran a vast "Ponzi" scheme that used more recent investor funds to make "dividend" payments to earlier investors to give the false impression of a successful investment program. None of the investors' money was allegedly invested as promised on the Web site, but instead was used to purchase millions of dollars worth of real property in Mexico and Costa Rica, as well as high-priced items such as a yacht, helicopter and cars. Much of the money is also alleged to have been funneled to numerous shell corporations created in Costa Rica. (A more detailed description of these activities is available in this Office's press release dated September 6, 2001.)

In September 2001, Costa Rican authorities seized or froze numerous assets connected to